

## Message Text

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ACTION EB-07

INFO OCT-01 AF-06 ARA-10 EUR-12 EA-10 NEA-09 ISO-00 AEC-07

AID-05 CEA-01 CIAE-00 CIEP-02 COME-00 DODE-00 FEAE-00

FPC-01 H-02 INR-07 INT-05 L-02 NSAE-00 NSC-05 OMB-01

PM-03 SAM-01 OES-05 SP-02 SS-15 STR-04 TRSE-00 FRB-01

PA-02 PRS-01 USIA-15 /142 W  
----- 110436

P R 111535Z FEB 75

FM AMEMBASSY VIENNA

TO SECSTATE WASHDC PRIORITY 4767

INFO AMEMBASSY ABU DHABI

AMEMBASSY ALGIERS

AMEMBASSY BEIRUT

AMEMBASSY BONN

USMISSION EC BRUSSELS

AMEMBASSY CARACAS

AMEMBASSY DOHA

AMEMBASSY JAKARTA

AMEMBASSY KUWAIT

AMEMBASSY LAGOS

AMEMBASSY LIBREVILLE

AMEMBASSY LONDON

AMEMBASSY MEXICO

USMISSION OECD PARIS

AMEMBASSY QUITO

AMEMBASSY ROME

AMEMBASSY TEHRAN

AMEMBASSY TOKYO

AMEMBASSY TRIPOLI

UNCLAS VIENNA 1184

BEIRUT PASS BAGHDAD

E.O. 11652: N/A

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TAGS: ENRG, OPEC, AU

SUBJECT: OPEC: REUTERS COVERAGE OF CHIEF M.O. FEYIDE'S  
PRESS CONFERENCE

FOR EB

FOLLOWING IS TEXT OF COVERAGE BY SIDNEY WEILAND OF REUTERS OF  
PRESS CONFERENCE HELD BY OPEC SECRETARY GENERAL FEYIDE ON  
FEBRUARY 11: QUOTE

THE ORGANIZATION OF PETROLEUM EXPORTING COUNTRIES WARNED TODAY  
THAT A MAJOR DROP IN THE VALUE OF THE DOLLAR COULD THREATEN  
OPEC'S CURRENT OIL PRICE FREEZE.

BUT NO ACTION TO CHANGE PRESENT PRICES WAS LIKELY UNLESS THE  
DOLLAR FELL SUBSTANTIALLY, AFFECTING THE PURCHASING POWER OF  
THE LEADING OIL-EXPORTING COUNTRIES, OPEC SECRETARY GENERAL  
M.O. FEYIDE SAID.

OIL MINISTERS MEET IN VIENNA ON FEBRUARY 19 AND ARE  
EXPECTED TO CONSIDER WHAT EFFECT THE CURRENT DOLLAR DECLINE  
HAS HAD ON THEIR ECONOMIES, BUT MR FEYIDE SAID THEY WILL NOT  
MAKE CHANGES FOR LIGHT AND TRANSIENT CAUSES, FOR  
MINOR VARIATIONS.

THE OPEC CHIEF EXECUTIVE TOLD REPORTS: "IF THERE ARE  
SUBSTANTIAL VARIATIONS, IT WOULD BE PERFECTLY JUSTIFIED TO  
LOOK AT THE MATTER. IT IS A MATTER FOR THE MINISTERS TO  
DECIDE WHETHER THERE HAS BEEN A SUBSTANTIAL CHANGE."

MR FEYIDE REFUSED TO SAY HOW MUCH MONEY THE 13 OPEC  
NATIONS WERE LOSING BECAUSE OF THE REDUCED VALUE OF THE DOLLAR.  
HE INDICATED NO CRISIS POINT HAD YET BEEN REACHED JUSTIFYING  
AN INCREASE IN THE AVERAGE PRICE OF 10.46 DOLLARS A BARREL SET  
LAST DECEMBER AND PEGGED FOR A NINE-MONTH PERIOD.

KUWAIT, PRESSING FOR A REOPENED DEBATE ON PRICES AT NEXT  
WEEK'S MINISTERIAL MEETING, SAID LAST WEEK OPEC COUNTRIES HAD  
LOST SIX PER CENT IN PURCHASING POWER BECAUSE OF THE DOLLAR'S  
DOWNWARD MOVEMENT IN RECENT WEEKS. OPEC EXPORTERS ARE PAID  
MAINLY IN DOLLARS BY INTERNATIONAL OIL COMPANIES.

MR FEYIDE, A NIGERIAN, WAS GIVING HIS FIRST PRESS BRIEFING  
SINCE TAKING OVER OPEC'S TOP POST IN JANUARY.

"I DO NOT EXPECT THAT AT THE SLIGHTEST MOVEMENT THEY (OIL  
MINISTERS) WOULD TAKE ACTION," HE SAID. "SOMETHING  
SUBSTANTIAL HAS TO HAPPEN. IF THE DOLLAR IS DEVALUED,  
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OBTAINING YOU SHOULD EXPECT THEM TO DO SOMETHING.

"IF THE BOTTOM WERE TO FALL OUT OF THE DOLLAR, THE OPEC  
MINISTERS WOULD NEED TO MEET TOGETHER. I AM NOT SAYING  
THEY WILL ACT, THEY COULD."

MR FEYIDE SAID OPEC APPROACHED A PROJECTED CONSUMER-PRODUCER  
DIALOGUE WITH OPEN MINDS. "WE ARE PREPARED TO LOOK AT ANY  
PROPOSALS AND TO THREAT EACH ONE ON ITS OWN MERITS," HE SAID.  
THE OPEC OFFICIAL TOOK A MODERATE ATTITUDE TOWARDS STATEMENTS

BY U.S. SECRETARY OF STATE HENRY KISSINGER TO WHICH OTHER  
OPEC LEADERS HAVE REACTED ANGRILY.  
"IF A MAN IN THE POSITION OF KISSINGER THINKS THE PRICE OF  
OIL SHOULD BE REDUCED BY TWO OR THREE DOLLARS A BARREL, ONE  
ASSUMES HE HAS DONE HIS ARITHMETIC AND WILL BE ABLE TO JUSTIFY  
THE FIGURES WHICH PRODUCED THIS RESULT," MR FEYIDE SAID.  
"WHEN OUR MINISTERS MADE THEIR DECISIONS, THEY ALSO HAD  
GOOD FIGURES TO SUPPORT THE LEVEL OF PRICES FIXED."  
ON DR KISSINGER'S RECENT CONTROVERSIAL WARNING THAT FORCE  
COULD NOT BE RULED OUT IF WESTERN NATIONS FACED  
ECONOMIC STRANGULATION, MR FEYIDE SAID: "OPEC COUNTRIES WILL  
NOT BE INTIMIDATED BY THREATS FROM ANY QUARTER. USE OF FORCE  
IS NO LONGER RELEVANT TO THE SOLUTION OF IMPORTANT PROBLEMS.  
"YOU CANNOT EXPECT GOOD RESULTS IF YOU GO TO A CONFERENCE  
AND YOU HAVE ALREADY MADE UP YOUR MIND ABOUT WHAT YOU DO OR  
DO NOT DO. OPEC WELCOMES A DIALOGUE BUT IT MUST BE A DIALOGUE  
IN AN ATMOSPHERE OF COOPERATION, NOT CONFRONTATION."  
MR FEYIDE SAID OPEC STATISTICS INDICATED OVER-SUPPLY OF  
OIL WAS NOW REACHING TO TO 2-1/2 MILLION BARRELS A DAY.  
THIS WAS PARTLY BECAUSE OF EDUCED CONSUMPTION BY CONSUMERS,  
AND PARTLY BECAUSE OF OILFIELD CUTBACKS TO ENSURE RESERVOIRS  
WERE NOT DAMAGED THROUGH OVER-PRODUCTION.  
MR FEYIDE SPOKE AS 70 EXPERTS MET AT OPEC HEADQUARTERS TO  
PREPARE DETAILED PROPOSALS FOR OPEC'S FIRST SUMMIT CONFERENCE,  
EXPECTED TO BEGIN IN ALGIERS ON MARCH 4.  
THE SUMMIT, TO BE PREPARED BY OIL MINISTERS NEXT WEEK,  
WOULD MAKE AUTHORITATIVE DECLARATIONS ON ECONOMIC, FINANCIAL  
AND POLITICAL ASPECTS OF THE OIL SITUATION.  
ON PRICES, MR FEYIDE SAID OIL MINISTERS ACTED VOLUNTARILY  
IN FREEZING PRICES LAST DECEMBER, "IN THE HOPE THAT  
INDUSTRIALIZED COUNTRIES WOULD TAKE CERTAIN ACTION TO CURB  
GALLOPING INFLATION.  
"IF A SITUATION IS CREATED WHERE THE VALUE OF OIL IS  
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REDUCED IN TERMS OF INTERNATIONAL CURRENCY, I WOULD EXPECT  
THEM TO TAKE A LOOK AT OIL. THEY HAVE A DUTY TO DO IT."  
BUT MR FEYIDE NOTED THAT THE OIL MINISTERS TOOK THEIR  
DECISION IN THE KNOWLEDGE OF WHAT WAS GOING ON IN THE WORLD  
AND INDICATED HE DID NOT EXPECT HASTY REACTION. HE SAID THE  
PRICE FREEZE REPRESENTED A SACRIFICE FOR OPEC.  
"WE MUST KEEP LOOKING AT THE VALUE OF OUR INCOME," HE  
SAID. "IF THE VALUE FALLS, THERE SHOULD BE A CONNECTION,  
EVEN IF THERE IS A FREEZE. ONE SHOULD BE JUSTIFIED IN  
CONSIDERING THAT THE VALUE OF MONEY SHOULD REMAIN CONSTANT."  
MR FEYIDE SAID OPEC MEMBERS REGARDED THEMSELVES AS  
DEVELOPING COUNTRIES IN TERMS OF REPRESENTATION AT THE  
EVENTUAL CONSUMER-PRODUCER CONFERENCE. UNQUOTE.HUMES

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PETROLEUM, EXPORTERS, MEETINGS, PRESS CONFERENCES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 11 FEB 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975VIENNA01184  
**Document Source:** CORE  
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**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750049-0809  
**From:** VIENNA  
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**Image Path:**  
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**Legacy Key:** link1975/newtext/t19750252/aaaabuqr.tel  
**Line Count:** 167  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EB  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 4  
**Previous Channel Indicators:** n/a  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** CunninFX  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 07 MAY 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <07 MAY 2003 by BrownAM>; APPROVED <08 JAN 2004 by CunninFX>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
05 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** OPEC: REUTERS COVERAGE OF CHIEF M.O. FEYIDE'S PRESS CONFERENCE  
**TAGS:** ENRG, AU, OPEC, (FEYIDE, M O)  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006